

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C. 20436

In the Matter of

CERTAIN HSP MODEMS, SOFTWARE
AND HARDWARE COMPONENTS
THEREOF, AND PRODUCTS
CONTAINING SAME

Inv. No. 337-TA-439

**NOTICE OF COMMISSION DECISION TO AFFIRM ALJ ORDERS NOS. 75 AND 76;
TO REVIEW PORTIONS OF A FINAL INITIAL DETERMINATION; TO EXTEND BY
45 DAYS THE TARGET DATE FOR COMPLETION OF THE INVESTIGATION; AND
TO SCHEDULE FOR WRITTEN SUBMISSIONS ON THE ISSUES UNDER REVIEW
AND ON REMEDY, THE PUBLIC INTEREST, AND BONDING**

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to affirm ALJ Orders Nos. 75 and 76 issued by the presiding administrative law judge ("ALJ") on June 29, 2001, and July 5, 2001, respectively; to deny ESS's motion to strike PCTEL's October 23 letter; to deny PCTEL's motion to supplement the record and its motion for leave to reply to ESS's response; to extend the target date for completion of the investigation by 45 days to March 4, 2002; and to review portions of the final initial determination ("ID") issued on October 18, 2001, by the presiding ALJ finding a violation of section 337 of the Tariff Act of 1930 in the above-captioned investigation.

FOR FURTHER INFORMATION CONTACT: Timothy P. Monaghan, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone 202-205-3152. Copies of the public versions of the subject orders and ID, and all other

nonconfidential documents filed in connection with this investigation, are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone 202-205-2000. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-205-1810. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS-ON-LINE) at <http://dockets.usitc.gov/eol/public>.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on October 11, 2000, based on a complaint filed by PCTEL, Inc. ("PCTEL") of Milpitas, California. The complaint named Smart Link Ltd. of Netanya, Israel and Smart Link Technologies, Inc. of Watertown, Massachusetts (collectively "Smart Link") and ESS Technology, Inc. ("ESS") of Fremont California as respondents. The complaint alleged that Smart Link and ESS had violated section 337 of the Tariff Act of 1930 by importing into the United States, selling for importation, and/or selling within the United States after importation certain HSP modems, software and hardware components thereof, and products containing the same by reason of infringement of claims 1-2 of U.S. Letters Patent 5,787,305 ("the '305 patent"), claims 1-4, 7-8, and 11-15 of U.S. Letters Patent 5,931,950 ("the '950 patent"), claims 1, 2, 10, and 15-17 of U.S. Letters Patent 4,841,561 ("the '561 patent"), and claims 1, 6-7, 10-12, and 15-19 of U.S. Letters Patent 5,940,459 ("the '459 patent").

On April 5, 2001, the Commission determined not to review an ID granting PCTEL's motion for summary determination of its satisfaction of the economic prong of the domestic industry requirement.

On June 28, 2001, the Commission determined not to review an ID terminating the investigation as to respondent Smart Link on the basis of a settlement agreement. The only patents asserted by PCTEL against remaining respondent ESS are the '305 and '950 patents. Thus, only the '305 and '950 patents remain at issue in the investigation.

The ALJ issued his final ID on October 18, 2001. He found that respondent ESS's HSP modem products do not infringe claims 1 or 2 of the '305 patent; that the '305 patent is enforceable and not invalid; and that the technical prong of the domestic industry requirement is not met as to the '305 patent (*i.e.*, that PCTEL's products do not practice any claim in issue of the '305 patent). The ALJ also found that respondent ESS's HSP modem products literally infringe, contributorily infringe, and induce infringement of claims 1-3, 7, 8, and 11-15 of the '950 patent. The ALJ further found that the '950 patent is enforceable, not invalid, and that a domestic industry relating to complainant PCTEL's HSP modem products exists with respect to the '950 patent. Based on his findings concerning the '950 patent, the ALJ found that there is a violation of section 337.

The ALJ also issued his recommended determination on remedy and bonding in the event that the Commission also finds a violation of section 337. He recommended issuance of a limited exclusion order covering the accused ESS modem semiconductors, software, and the downstream products of modem boards and motherboards, but not personal computers. He also recommended issuance of a cease and desist order, and a bond in the amount of 9 percent of the entered value of the accused HSP modem products during the Presidential review period.

On October 31, 2001, complainant PCTEL, respondent ESS, and the Commission investigative attorney (“IA”) filed petitions for review of the final ID. On November 7, 2001, the IA filed a response to ESS’s petition, and ESS filed a response to PCTEL’s and the IA’s petitions. On November 8, 2001, PCTEL filed an unopposed motion requesting a one-day extension of time to file its response to ESS’s petition for review, which motion was granted by the Chairman, along with its response to ESS’s petition for review.

On October 23, 2001, PCTEL filed a letter with the ALJ requesting reconsideration and supplementation of the ID to affirmatively include within the listed accused infringing products of ESS certain chipsets that the ALJ had not included in his ID or RD. On October 24, 2001, ESS filed a motion with the Commission to strike PCTEL’s October 23 letter. The Commission has determined to consider PCTEL’s October 23 letter as part of its petition for review and therefore denies ESS’s motion to strike the letter.

On November 2, 2001, PCTEL filed a motion with the Commission to supplement the record. On November 14, ESS filed an opposition to PCTEL’s motion and the IA filed a response in support of the motion. On November 16, 2001, PCTEL filed a motion for leave to reply to ESS’s response, and filed a reply. The Commission has determined to deny PCTEL’s motion to supplement, and to deny PCTEL’s motion to reply to ESS’s response as moot.

On November 29, 2001, the IA filed a motion with the Commission for an extension of time to submit briefs if the Commission determines to review the ID, and an extension of the target date from January 18, 2002, to February 18, 2002.

Having examined the ALJ’s final ID, the petitions for review and the responses thereto, and the record of the investigation, the Commission has determined to review the following issues: which chipsets of ESS are accused of infringement; the ALJ’s construction of “the device occupies an I/O slot that corresponds to a first communications port” and “UART emulation” claim limitations of claim 1 the ‘305 patent and the resulting infringement and domestic industry findings; and the ALJ’s construction of the “selection logic” and “interrupt” limitations of the claims at issue of the ‘905 patent, and the resulting infringement and domestic industry findings. The Commission determined not to review the remainder of the final ID.

On review, the Commission requests briefing based on the evidentiary record on all issues

under review and is particularly interested in answers to the following questions, with all answers cited to the evidentiary record:

1. As to the construction of “the device occupies an I/O slot that corresponds to a first communications port” limitation of claim 1 the ‘305 patent:

In Windows 95 and other later generation operating systems (“the Windows 95 operating systems”), is a standard, UART-based device *always* assigned to COM 1 through COM 4, and is a non-standard, non-UART device *always* assigned to COM 5 through COM 128?

Describe in detail serial COM port usage and standard and non-standard base address assignments in both the Windows 3.1 and Windows 95 operating systems, and UART and non-UART COM port usage in the Windows 3.1 and Windows 95 operating systems.

RX-520C states that MS-DOS supports “128 logical names for addressing serial ports.” Does MS-DOS therefore support 128 COM ports? How does this statement from RX-520C relate to the statement in the ‘305 patent that “WINDOWS and MS-DOS support *four* communication or COM ports”? The ‘305 patent, col. 1, ll. 46-48.

Under Federal Circuit case law, what is necessary to conclude that one of ordinary skill in the art would interpret the claim term “communications port” in the light of Windows 95? Is being “aware of” the soon-to-be-released Windows 95 operating system sufficient? Is having “access” to an early set of documentation on how to develop software for the soon-to-be-released Windows 95 operating system sufficient?

2. As to the construction of the “UART emulation” limitation of claim 1 of the ‘305 patent:

What is the difference in “UART emulation” in the Windows 3.1 operating systems vis-a-vis the Windows 95 operating systems?

In the Windows 95 operating systems, does VCOMM expect UART data from all serial devices? Are the device drivers of non-UART devices in the Windows 95 operating systems required to simulate or “emulate” a UART response to VCOMM’s data requests ?

3. As to the construction of the “interrupt” limitation of the claims at issue of the ‘950 patent:

Describe in detail PC power management on the ISA data bus vis-a-vis the PCI data bus, and the operation of a PME signal on the PCI bus.

Would the “interrupt” limitation of the claims at issue of the ‘950 patent be interpreted by one of ordinary skill in the art as applying only to the ISA bus? Or, in June of 1997, when the application that

matured into the '950 patent was filed, would one of ordinary skill in the art also interpret the "interrupt" signal of the '950 patent as a PME signal on the PCI bus?

4. As to the construction of the "selection logic" limitation of the claims at issue of the '950 patent:

Is the claimed interrupt-switching "selection logic" of the claims at issue of the '950 patent mutually exclusive between modes?

Under a proper construction of "selection logic," does the "selection logic" select or switch between interrupt sources, and output that selection onto a single interrupt signal line?

5. As to the infringement of the '305 patent:

Provide a detailed description of how the accused ESS HSP modems operate in the Windows 95 operating systems. How do the accused ESS HSP modems use VCOMM and modem.sys? Do the Windows 95 operating systems expect UART data from the accused ESS HSP modems?

6. As to the infringement of the '950 patent:

Describe the wake and sleep cycles of an ESS modem and the attached PC system. How do the ESS HSP modems block interrupts from an inactive modem, and then select the ring signal as an interrupt? Does the interrupt switching mechanism of the ESS HSP modems select from different interrupt sources for output onto a single interrupt signal line?

In connection with the final disposition of this investigation, the Commission may issue (1) an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) cease and desist orders that could result in respondents being required to cease and desist from engaging in unfair action in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, see *Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994)(Commission Opinion).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is

therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the President has 60 days to approve or disapprove the Commission's action. During this period, the subject articles would be entitled to enter the United States under a bond, in an amount determined by the Commission and prescribed by the Secretary of the treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed.

WRITTEN SUBMISSIONS: The parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on remedy, the public interest, and bonding. Such submissions should address the October 18, 2001, recommended determination by the ALJ on remedy and bonding. Complainant and the Commission investigative attorney are also requested to submit proposed remedial orders for the Commission's consideration. Responses to the above questions, written submissions on remedy, the public interest, and bonding, and proposed remedial orders must be filed no later than close of business on January 10, 2002. Reply submissions must be filed no later than the close of business on January 17, 2002. No further submissions will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file with the Office of the Secretary the original document and 14 true copies thereof on or before the deadlines stated above. Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request confidential treatment unless the information has already been granted such treatment during the proceedings. All such requests should be directed to the Secretary of the Commission and must include a full statement of the reasons why the Commission should grant such treatment. *See* section 201.6 of the Commission's Rules of Practice and Procedure, 19 C.F.R. § 201.6. Documents for which confidential treatment by the Commission is sought will be treated accordingly. All nonconfidential written submissions will be available for public inspection at the Office of the Secretary.

The authority for the Commission's action is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in section 210.42, 210.43, 210.45, 210.46, and 210.50 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42, 210.43, 210.45, 210.46, and 210.50).

By order of the Commission.

Donna R. Koehnke
Secretary

Issued: December 5, 2001